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**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REPORT
LOUISIANA CULTURAL ECONOMY FOUNDATION
FOR THE YEAR ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/1/10

LOUISIANA CULTURAL ECONOMY FOUNDATION

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Louisiana Cultural Economy Foundation

We have audited the accompanying statement of financial position of the Louisiana Cultural Economy Foundation (a nonprofit organization) as of December 31, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Louisiana Cultural Economy Foundation at December 31, 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009, on our consideration of Louisiana Cultural Economy Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Paillet Meunier and LeBlanc, L.L.P.

Metairie, Louisiana
May 05, 2010

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**LOUISIANA CULTURAL ECONOMY FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 430,795
Grants Receivable	<u>22,691</u>
Total Current Assets	453,486
 Property and Equipment	
Furniture, Fixtures & Equipment	2,186
Accumulated Depreciation	<u>(1,994)</u>
Total Property and Equipment	192
 Total Assets	 <u>\$ 453,678</u> ✓

LIABILITIES AND NET ASSETS

Current Liabilities	
Grants Payable	\$ 77,730
Accrued Payroll and Payroll Taxes	<u>471</u>
Total Liabilities	<u>78,201</u>
 Net Assets	
Unrestricted	362,786
Temporarily Restricted	<u>12,691</u>
Total Net Assets	<u>375,477</u>
 Total Liabilities and Net Assets	 <u>\$ 453,678</u> ✓

The accompanying notes are an integral part of the financial statements.

**LOUISIANA CULTURAL ECONOMY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

UNRESTRICTED NET ASSETS

Unrestricted Revenue and Gains	
Contributions	
Individuals	\$ 2,000
Corporations	175,879
Foundations	124,700
Grants	200,723
Miscellaneous	3,003
Net Assets Released from Restrictions	
Donor Restrictions Satisfied	<u>385,307</u>
Total Unrestricted Revenue and Other Support	<u>891,612</u>
Expenses	
Program	1,188,825
Supporting	<u>229,748</u>
Total Expenses	<u>1,418,573</u>
Increase/(Decrease) in Unrestricted Net Assets	<u>(526,961)</u>
Temporarily Restricted Net Assets	
Grants	
Nathan Cummings	19,255
Foundation for Mid-South	20,000
Louisiana Division of Arts	50,000
Louisiana Economic Development	39,221
Economic Opportunity Fund	
State of Louisiana	33,750
Louisiana Disaster Recovery	125,000
Ford Foundation	100,000
WCEF	10,772
Net Assets Released from Restrictions	
Donor Restricted Satisfied	<u>(385,307)</u>
Increase/(Decrease) in Temporarily Donor Restricted Net Assets	<u>12,691</u>
Increase (Decrease) in Net Assets	(514,270)
Net Assets at Beginning of Year	<u>889,747</u>
Net Assets at End of Year	<u>\$ 375,477</u>

The accompanying notes are an integral part of the financial statements.

**LOUISIANA CULTURAL ECONOMY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>
Fiscal Agent	\$ 649,506	\$ 649,506	\$ -
EOF Grant	422,236	422,236	-
Health Care Initiative	80,054	80,054	-
Grant Distribution - Other	37,029	37,029	-
Salaries	71,372	-	71,372
Payroll Taxes & Benefits	7,819	-	7,819
Professional Fees	98,409	-	98,409
Office Rent	5,475	-	5,475
Utilities	3,855	-	3,855
General & Administrative	42,818	-	42,818
	<u>\$ 1,418,573</u>	<u>\$ 1,188,825</u>	<u>\$ 229,748</u>
Total Expenses			

The accompanying notes are an integral part of the financial statements.

**LOUISIANA CULTURAL ECONOMY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase(Decrease) in Net Assets	\$ (514,270)
Adjustments to reconcile Increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	997
(Increase) decrease in operating assets:	
Grants Receivable	349,080
Increase (decrease) in operating liabilities:	
Grants Payable	(91,687)
Accrued Payroll and Payroll Taxes	(706)
Total adjustments	<u>257,684</u>
Net cash provided (used) by operating activities	<u>(256,586)</u>
Net increase in cash and equivalents	(256,586)
Cash and equivalents, beginning of year	<u>687,381</u>
Cash and equivalents, end of year	<u>\$ 430,795</u>

The accompanying notes are an integral part of the financial statements.

LOUISIANA CULTURAL ECONOMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louisiana Cultural Economy Foundation (The Foundation) is a Louisiana not-for-profit 501(c)(3) corporation, which strives to be a catalyst for the development and enhancement of the distinct cultural industries of Louisiana by promoting the economic health and quality of life of our cultural economy workforce.

The Foundation provides support to Louisiana's cultural economy to make it an engine of economic and social rebirth. The support generated by the Foundation is used to support the economic health and quality of life for Louisiana's cultural economy workforce statewide.

Financial Statement Presentation

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Foundations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a Statement of Cash Flows.

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, the Foundation's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Basis of Accounting

The accompanying financial statements have been prepared based on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Income Taxes

The Foundation is a not-for-profit Foundation that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At December 31, 2009, there are significant concentrations of credit risk arising from cash deposits in excess of federally insured limits, Footnote B.

**LOUISIANA CULTURAL ECONOMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture, Fixtures, and Equipment

Furniture, Fixtures, and Equipment are recorded at cost. Donations of property and equipment are recorded as Furniture, Fixtures, and Equipment at their estimated fair value. It is the Foundation's policy to depreciate the assets over their estimated useful lives of five (5) years using the straight line depreciation method.

Expenditures for maintenance and repairs are charged to expense as incurred.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based upon management's knowledge and experience and management's analysis of specific promises made. Based on prior experience, management believes all receivables to be collectible.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. A restriction expires when a stipulated time constraint ends or the purpose of the restriction is accomplished. At that point, the restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Donated goods and services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

LOUISIANA CULTURAL ECONOMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE B - CASH AND EQUIVALENTS

The Foundation occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is mitigated by maintaining all deposits in high quality financial institutions. These deposits are stated at cost, which approximates market. The Foundation had \$444,718 in deposits (collected bank balances) as of December 31, 2009. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$0 of pledged securities. The Foundation maintained cash balances in excess of the FDIC Insurance by \$194,718 as of December 31, 2009. The Foundation has not experienced any losses and does not believe it is exposed to any significant credit risk on cash balances.

At December 31, 2009 the Foundation has cash and cash equivalents (book balances) totaling \$430,795:

	<u>2009</u>
Cash	\$223,827
Cash Equivalents	<u>206,968</u>
Total	<u>\$430,795</u>

NOTE C - PROPERTY AND EQUIPMENT

A summary of property, plant, and equipment and depreciation are as follows as of December 31, 2009:

Furniture, fixtures, & equipment	\$ 2,186
Accumulated Depreciation	<u>(1,994)</u>
Total Property and Equipment	<u>\$ 192</u>
Depreciation Expense	<u>\$ 997</u>

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>
Grants	
Louisiana Division of Arts	\$ 5,691
Foundation for Mid-South	<u>7,000</u>
	<u>\$ 12,691</u>

**LOUISIANA CULTURAL ECONOMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE E - LEASES

The Foundation leases office space on a month to month basis.

NOTE F - PRIOR PERIOD ADJUSTMENTS

Certain errors and improper recognition of Temporarily Restricted Net Assets resulted in the Unrestricted Net Assets to be understated, and the Temporarily Restricted Net Assets to be overstated. In some cases these Net Assets listed as Temporarily Restricted were grants for general operations, and in other cases these funds listed as Temporarily Restricted were already expensed. These errors did not have an overall affect on the total amount of Net Assets.

TEMPORARILY RESTRICTED NET ASSETS

As reported on December 31, 2008 Financial Statements	\$ 850,198
Baton Rouge Area Foundation	150,000
Jennifer Reiley	141,696
Bush Clinton Katrina	124,552
Pennington Foundation	75,000
State of Louisiana	52,599
Joan Mitchell Foundation - LCEF	50,000
N.O. Jazz and Heritage Foundation	<u>1,324</u>
Temporarily Restricted Net Assets as restated	<u>\$ 255,027</u>

UNRESTRICTED NET ASSETS

As reported on December 31, 2008 Financial Statements	\$ 39,549
Baton Rouge Area Foundation	150,000
Jennifer Reiley	141,696
Bush Clinton Katrina	124,552
Pennington Foundation	75,000
State of Louisiana	52,599
Joan Mitchell Foundation - LCEF	50,000
N.O. Jazz and Heritage Foundation	<u>1,324</u>
Unrestricted Net Assets as restated	<u>\$ 634,720</u>
Net Assets as restated	<u>\$ 889,747</u>

NOTE G - SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of Louisiana Cultural Economy Foundation through May 05, 2010, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

**LOUISIANA CULTURAL ECONOMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE H CONTINGENCIES

Fiscal Agent

Currently, a majority of the income generated by the Foundation is derived from contributions from various corporations, foundations, individuals, and grants from various state organizations. In many instances, the Foundation acts as a fiscal agent for these contributions. As a result, a significant portion of their revenues and expenses are due to the foundation accruing the funds and issuing them as specified.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

We were engaged to audit the financial statements of Louisiana Cultural Economy Foundation, as of December 31, 2009 as of and for the year then ended and have issued our report thereon dated May 05, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

A. Control Deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements: No. Material weaknesses: No.

B. Noncompliance which is material to the financial statements: Yes

C. Control Deficiencies in internal control over major programs: N/A.
Material weaknesses: N/A.

D. The type of report issued on compliance for major programs: N/A.

E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: N/A

F. Major programs: N/A.

G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.

H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.

I. A management letter was issued: No

SECTION II - FINANCIAL STATEMENT FINDINGS

09-01 Accounting Personnel

As part of the audit, Paillet, Meunier and LeBlanc, LLP has prepared a draft copy of the Foundation's financial statements on the Foundation's behalf and has provided a copy for their approval prior to issuance of the financial statements. This is due primarily due to their reliance on us for this expertise, which could imply that management does not possess the skills and knowledge necessary to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Louisiana Cultural Economy Foundation

We have audited the financial statements of Louisiana Cultural Economy Foundation as of and for the year ended December 31, 2009, and have issued our report thereon dated May 05, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Cultural Economy Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Louisiana Cultural Economy Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Louisiana Cultural Economy Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

The client does not have sufficient, capable, expertise to prepare the financial statements and related footnote disclosures.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Cultural Economy Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Items 09-01.

The Louisiana Cultural Economy Foundation's response to the findings identified in our audit is described in the accompanying Management Response to Findings. We did not audit the Louisiana Cultural Economy Foundation's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Legislative Auditor, audit committee, management, others within the foundation and grant awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paulet Meunier and LeBlanc, L.L.P.
Metairie, Louisiana
May 05, 2010

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

08-01 Open Meetings

Finding: The Foundation, as a recipient or sub-recipient of public funds (grants), is considered a quasi-public entity by the State of Louisiana. During the audit, we noted that the Foundation did not comply with the requirements of R.S. 42:1-13 to both post notice of, and hold open meetings as they relate to public funds during the fiscal year ended December 31, 2008.

Current Status: Resolved. The deputy counsel with the State of Louisiana Department of Cultural Recreation and Tourism definition of "public bodies" and the conclusion that simply receiving public funds alone, does not trigger the application of the open meetings law, unless the grant agreement requires it. The Foundation's grant agreements from the Department of Cultural Recreation and Tourism do not require this and therefore management does not believe the Foundation is subject to the open meetings law.

**MANAGEMENT CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009**

09-01 Accounting Personnel

Louisiana Cultural Economy Foundation does not have the necessary personnel to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures. Due to the costs associated with hiring such personnel, Louisiana Cultural Economy Foundation will continue to rely on outside expertise until such funding to hire the necessary personnel is approved.

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

May 05, 2010

Ms. Norma Jane Sabiston
Louisiana Cultural Economy Foundation
900 Peniston St
New Orleans, LA 70115

We have audited the financial statements of Louisiana Cultural Economy Foundation for the year ended December 31, 2009, and have issued our report thereon dated May 05, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 13, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on January 13, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Louisiana Cultural Economy Foundation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

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Management's estimate of depreciation is based on estimated service lives. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 05, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Ms. Norma Jane Sabiston

May 05, 2010

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This communication is intended solely for the information and use of management, the board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Paillet, Meunier and LeBlanc, L.L.P.

Paillet, Meunier & LeBlanc, L.L.P.

Metairie, Louisiana

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

May 05, 2010

Ms. Norma Jane Sabiston
Louisiana Cultural Economy Foundation
900 Peniston St
New Orleans, LA 70115

We appreciate the opportunity to conduct your audit this year. As we've discussed with you previously, we are writing to you as we complete the audit to communicate any control deficiencies we identified during the audit and determined to be significant deficiencies or material weaknesses. This communication is a requirement of the new auditing standard: **Statement on Auditing Standards (SAS) 115: Communicating Internal Control Related Matters Identified In an Audit**. The new standard applies to the audits of any financial statements with periods ending on or after December 15, 2009.

In planning and performing our audit of the financial statements of the Louisiana Cultural Economy Foundation below, as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We are always available to answer any questions that you may have related to the control deficiencies we identified during your audit or discuss any options you have for remedying them if you would like to do so.

Pailet Meunier and LeBlanc, L.L.P.
Metairie, Louisiana
May 05, 2010

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